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3) Prime Minister's Official Residence (Kantei)

Prime Minister's schedule, June 19

NIKKEI (Page 2) (Full)
June 20, 2008

09:30

Met Japan-Vietnam special ambassador Ryotaro Sugi at the Kantei.

10:00

Attended a National Council on Social Security meeting.

11:20

Met advisor Ito.

12:01

Had a luncheon meeting with LDP first- and second-term lawmakers in the presence of Deputy Chief Cabinet Secretary Ono.

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13:01

Underwent a regular eye check at the Mitsui Memorial Hospital.

13:52

Visited Akihabara to offer a prayer for the victims of the killing spree.

14:17

Returned to his official residence.

15:03

Attended a national credit unions convention at the Keidanren Kaikan Hall in Otemachi.

15:45

Met Deputy Foreign Minister Kohno and Vice Minister of Finance for International Affairs Shinohara.

16:16

Met Deputy Foreign Minister Sasae, followed by Deputy Cabinet Minister Uchida. Afterwards attended a Council for Science and Technology Policy meeting.

17:30

Met state minister in charge of improving the custodianship of official documents Kamikawa and Cabinet Secretariat chief Yamamoto, followed by remote islands promotion committee chairman Miyaji and others.

18:45

Held a foreign policy study meeting with National Defense Academy President Iokibe and others, joined by Chief Cabinet Secretary Machimura.

4) Rice says North Korea will soon submit nuclear declaration, speaks of intention to delist it as state sponsor of terrorism

NIKKEI (Top Play) (Full)
Evening, June 19, 2008

(Hiroshi Maruya, Washington)

U.S. Secretary of State Condoleezza Rice said on June 18 that North Korea will soon submit a declaration of its nuclear activities to China, chair of the six-party talks, under a six-party deal. In a speech she delivered at a think-tank in Washington, Rice also said that if the North produces a declaration, "President Bush will notify Congress of our intention to take Pyongyang off the list of terrorism-sponsoring nations and to exempt it from the application of the Trading with the Enemy Act." It was the first time for a senior U.S. government official to clearly express an intention to remove North Korea from the list if it provides a declaration.

The Bush administration had stressed the need for verifying the contents of the declaration in delisting North Korea. But Rice

clearly stated that the U.S. government will delist the North if it complies with its commitment.

The delisting measure goes into effect 45 days after the administration notifies its intention to Congress. Rice emphasized: "During the 45 days, we would continue to assess the level of North Korean cooperation and verify the accuracy and completeness of its

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declaration. Based on the assessment, we will take action." As it stands, she also indicated that the U.S. would not delist North Korea after ascertaining the contents of its declaration.

Rice reiterated in the speech that the six-party talks have produced achievements, including the North's disabling of its nuclear facilities in Yongbyon. She then urged Japan and other countries with pending issues with North Korea to offer cooperation. She said: "All the member countries of the six-party talks, including the U.S., are now being pressed to make a difficult choice. We must be aware that North Korea's denuclearization is our ultimate goal." On the issue of the past abductions of Japanese nationals by North Korean agents, she just said: "We have helped promote Japan-North Korea talks on the tragedy of the abduction victims," without referring to its relation to the delisting issue.

Rice said that the condition for delisting a designated nation under a relevant U.S. law is whether the nation extended financial and physical aid to an international terrorist group over the past six months," hinting that there is little possibility of a political judgment being included.

Asked about the possibility that North Korea might not give up its nuclear development programs, Rice said: "Judging from its past deeds, there is such concern." She added that if the North does not comply with its commitment, "the U.S. will re-impose the removed sanctions and impose new sanctions."

With the aim of resuming the six-party talks, which have been suspended since last fall, the Bush administration has dispatched Assistant Secretary of State Christopher Hill to Asia. He will meet with the Japanese and South Korean chief delegates to the six-party talks in Tokyo on the 19th. Chinese Vice President Xi Jinping also left for a three-day tour of North Korea on the 17th to meet President Kim Jong Il and other senior officials in an effort to resume the six-party talks.

5) Fukuda underlines close contact between Japan and U.S. on delisting North

SANKEI (Page 5) (Full)
June 20, 2008

U.S. Secretary of State Condoleezza Rice has suggested that President George W. Bush will notify Congress of his decision to delist North Korea as a state sponsor of terrorism. Asked about Japan's response by reporters at his official residence last night, Prime Minister Yasuo Fukuda said: "Japan and the United States have been in close contact with each other. We will listen to what the U.S. government has to say."

Meanwhile, Chief Cabinet Secretary Nobutaka Machimura told the Lower House Abduction Issue Special Committee yesterday regarding the government's intention to partially lift economic sanctions against the North: "The government did not say that it would do nothing until the reinvestigation (into the abduction issue) produces concrete results. The government might begin procedures to (lift sanctions) as necessary while watching the progress of the reinvestigation." Machimura indicated the possibility that Japan will partially ease sanctions once the reinvestigation begins in compliance with Japan's request.

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6) North Korea: Japan, U.S., South Korea agree exclusion of nuclear

arms from declaration of nuclear weapons program

ASAHI (Page 1) (Full)
June 20, 2008

A meeting of chief Japanese, U.S. and South Korean chief delegates to the six-party talks on the North Korean nuclear issue took place at the Foreign Ministry in Tokyo on June 19. Participants agreed to accept the declaration of a nuclear arms program by North Korea, which expected to occur shortly, even if it does not include information on nuclear arms, on the condition that North Korea makes the declaration within a set period of time. A source involved in the three-party talks revealed this.

According to the same source, participants agreed on the perception that it is important to make Pyongyang commit itself to making the declaration without fail in the third stage of its denuclearization process, an issue to be discussed in the future. Regarding a concrete method of making Pyongyang pledge to make the declaration on its nuclear arms, discussion will likely take place under the six-party framework with the compilation of a separate paper in mind.

The Japanese side has thus far strongly called for the inclusion of nuclear arms in the declaration by Pyongyang. However, it has determined that there would be an extremely slim chance of that nation including information on nuclear arms, the highest-level military secret, in the declaration. Since a certain degree of progress, including reinvestigation into the whereabouts Japanese abductees at the recent Japan-North Korea talks in Beijing, has been achieved, Japan has in effect lowered the barrier regarding the declaration, which Pyongyang is obligated to make in a complete, and accurate way, with priority given to the resumption of the six-party talks.

The meeting was joined by Akitaka Saiki, director general of the Foreign Ministry's Asian and Oceanian Affairs Bureau, U.S. Assistant Secretary of State Christopher Hill and Kim Sook, the South Korean Foreign Affairs and Trade Ministry's special representative for Korean Peninsula peace and security affairs.

The informed source also indicated the outlook that it would be difficult for Pyongyang to make the declaration within June due to the delayed preparations. This source also indicated the possibility of either a meeting of chief delegates to the six-party talks or a meeting of the denuclearization working group being held for discussions of a method of verifying the declaration before it is submitted by North Korea.

7) Saiki asks U.S. to premise N. Korea delisting on abduction progress

SANKEI (Page 3) (Full)
June 20, 2008

Chief delegates from Japan, the United States, and South Korea to the six-party talks over North Korea's denuclearization met yesterday evening at the Foreign Ministry and exchanged views on how to proceed with North Korea's nuclear issues, including U.S. Secretary of State Rice's clarification of the U.S. government's intention of going through procedures to delist North Korea as a

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state sponsor of terrorism when North Korea declares its nuclear programs. Akitaka Saiki, director general of the Asian and Oceanian Affairs Bureau at the Foreign Ministry, reiterated the Japanese government's position, maintaining that the United States should not delist North Korea unless there is specific progress on the issue of Japanese nationals abducted to North Korea. Saiki confirmed that Japan would continue to cooperate closely with the United States on this issue.

The meeting was held with U.S. Assistant Secretary of State Hill and Kim Sook, the South Korean Foreign Affairs and Trade Ministry's special representative for Korean Peninsula peace and security affairs. Saiki explained the outcome of working-level talks held on

June 11-12 between Japan and North Korea in Beijing. Hill and Kim expressed their hopes for a solution to the abduction issue with specific progress. The three also exchanged views on the stagnated six-party talks. Furthermore, they talked about how to proceed with the North Korea issue in trilateral cooperation.

"The abduction incident is not only an important issue for Japan, it's also a matter of concern to the United States," Hill told reporters after the meeting. "We will keep in close touch with Japan to see how things will develop," Hill added. Meanwhile, Japan takes the position that it will not take part in energy aid to North Korea. In this regard, Kim said, "We hope that Japan will be able to take early action for energy aid to North Korea."

Concerning North Korea's nuclear declaration as a premise for delisting that country, Hill stressed that scrapping nuclear weapons is also one of the requisites. "Our position is the complete denuclearization of North Korea from the start," Hill said, adding, "This includes scrapping nuclear weapons."

8) U.S. hurrying to make progress in six-party talks

NIKKEI (Page 2) (Abridged)
Eve, June 19, 2008

WASHINGTON-U.S. Secretary of State Rice has clarified that the U.S. government would inform the U.S. Congress of delisting North Korea as a state sponsor of terrorism in response to North Korea's declaration of its nuclear programs. This can be taken as indicating that the United States is in a hurry to find a way out of the stagnated six-party talks over North Korea's nuclear issue. The Bush administration is to leave office in January next year. Counting backward from that timetable, Washington apparently judges that it is time to bring North Korea into the final phase for scrapping its nuclear programs. The U.S. government is also seeking to hold a six-way foreign ministerial meeting for an imprint of diplomatic results.

In February 2007, the six-party talks reached an agreement specifying that the U.S. government would start to work for its delisting of North Korea as a state sponsor of terrorism. In an agreement reached in October, the six-party talks took a further step, with the United States saying it will implement its promise along with North Korea's action. Hill has reiterated that the U.S. government would remove North Korea from its blacklist if North Korea takes second-phase steps to disable its nuclear facilities and declare its nuclear programs.

Pyongyang, which gives top priority to its delisting, did not

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declare its nuclear programs even after an end-of-2007 deadline and has assumed a wait-and-see attitude, aiming to determine whether its nuclear declaration would lead to its delisting. Rice's statement this time implies signaling to North Korea that Washington will clearly link North Korea's nuclear declaration to its delisting.

9) Japan opposes delisting North as terrorism-sponsoring nation unless there is progress on nuclear, abduction issues

YOMIURI (Page 2) (Full)
June 20, 2008

Foreign Ministry Asian and Oceanian Affairs Bureau Director-General Akitaka Saiki, Japan's chief delegate to the six-party talks on the North Korean nuclear issue, held a meeting with his U.S. counterpart, Assistant Secretary of State Christopher Hill, at the Foreign Ministry last night. Touching on Secretary of State Condoleezza Rice's announcement to delist North Korea as a state sponsor of terrorism, Saiki urged Hill not to remove the North from the nuclear blacklist unless there is progress on the abduction issue in addition to a complete and correct declaration of its nuclear programs.

The Saiki-Hill meeting was followed by talks among the chief delegates of Japan, the United States, and South Korea. In the

session, Kim Sook, the South Korean Foreign Affairs and Trade Ministry's special representative for Korean Peninsula peace and security affairs, said: "We hope to see Japan soon join the energy aid program for North Korea."

After the series of talks, Hill told reporters: "The abduction issue is important for Japan, and it is of interest to the United States as well. We would like to watch the development of (Japan-DPRK relations) while keeping close contact with (Japan)."

Saiki said: "I explained Japan's standpoint to the U.S. government on the question of taking the North off the list of terrorism-sponsoring nations. We have agreed that Japan and the United States will work in close cooperation."

10) Japan to ask for cautious response

NIKKEI (Page 2) (Abridged)
Eve., June 19, 2008

Tokyo is poised to keep watching Washington's moves to delist North Korea as a state sponsor of terrorism. "There is no change in Japan's stance," Chief Cabinet Secretary Nobutaka Machimura told a press conference on the morning of June 19. Machimura stressed that the Japanese government would call on the U.S. government to remain cautious and not delist North Korea without specific progress on the issue of Japanese nationals abducted to North Korea.

Japan and North Korea recently held a meeting of their working-level officials. On that occasion, North Korea promised to look again into the abduction issue. However, Japan and North Korea will need to talk about specifics, including the question of how to locate the whereabouts of Japanese abductees. The Japanese government therefore has a strong sense of alarm about the abduction issue being left behind.

11) Japan fears lack of unity with U.S.

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YOMIURI (Page 2) (Abridged slightly)
June 20, 2008

U.S. Secretary of State Condoleezza Rice's announcement that Washington will delist North Korea as a state sponsor of terrorism before long worries Japan. Japan, which keeps sanctions against the North in place for the sake of the abduction issue, specifically fears a possible lack of unity with the United States, which is moving closer to North Korea. Japan is under pressure to make a difficult decision on the question of how to strike a balance between the six-party talks and progress on Japan-DPRK relations.

Asked by reporters at his official residence last night about Japan's response to Rice's statement, Prime Minister Yasuo Fukuda simply said: "We will deal with the matter while keeping close contact (between Japan and the United States) at all times."

If the United States accepts the North's nuclear declaration, which is expected to occur before long, and the U.S. begins work to remove the North from the blacklist, chances are high that Japan will find itself isolated in the six-party framework. The reason is that Japan keeps refusing to join the energy aid program for the North, although the talks will move on to the next phase after the U.S. and North meet each other halfway.

After President George W. Bush notifies Congress of his decision to delist the North, six-party members and other bodies are expected to verify the DPRK's declaration. An insufficient declaration might be sent back to the North.

Japan has been insisting on a "complete and correct declaration" to ensure that the United States will not delist the North if its declaration is insufficient. "If the United States rushes to delist the North even if its declaration is inaccurate, we will have to play that up in the verification process in order not to be isolated," a Japanese government source said.

At the same time, if the North's declaration is proven to be insufficient and if that puts strains on Washington and Pyongyang, the six-party talks might remain stalled.

Japan intends to coordinate with the North in advance to make sure that Pyongyang will carry out a true reinvestigation of the abduction issue. Japan wants to keep pace with the six-party talks with this approach. Whether the reinvestigation can bring progress to the abduction issue remains to be seen.

12) Japan needs to revise its North Korea strategy

Yomiuri (Page 2) (Full)
Eve., June 19, 2008

In response to U.S. Secretary of State Rice's announcement of a policy course of soon removing North Korea from the list of states sponsoring terrorism, the Japanese government plans to ask the U.S. government to give consideration to progress on the abduction issue at the time that it removes the DPRK from the list. Government officials will transmit such thinking to Assistant Secretary Hill, who arrives in Japan on the afternoon of the 19th.

Chief Cabinet Secretary Machimura, meeting with the press corps on

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the morning of the 19th, stressed: "Japan and the U.S. have always closely exchanged information and views. There has been no change in Japan's stance." However, the Japanese government, which has been pressing the U.S. to consider resolution of the abduction issue as a premise of the terror list, is under pressure to revise its strategy. A senior Foreign Ministry official on the morning of the 19th told the press corps in Tokyo; "For Japan, both the nuclear and abduction issues are essential. It would appear that by only mentioning the abduction issue, the nuclear issue does not seem important, but (the nuclear issue, too) must be made to move first."

13) U.S. plans to delist North Korea as state sponsor of terrorism; Japan may lose leverage on abduction issue

TOKYO SHIMBUN (Full)
June 20, 2008

In the wake of U.S. Secretary of State Condoleezza Rice having said that the United States will move to take North Korea off its list of terrorism-sponsoring nations, the possibility of Washington delisting Pyongyang has moved closer to reality. The Japanese government, however, has opposed delisting before progress is made on the issue of North Korea's abduction of Japanese nationals. It remains uncertain whether Pyongyang will keep its promise to Japan that it will reinvestigate the abduction issue. Therefore, Japan is forced to conduct negotiations not only with Pyongyang but also with Washington.

Prior to a meeting yesterday with the chief negotiators in the six-party talks from Japan, the United States, and South Korea, the Foreign Ministry's Asian and Oceanian Affairs Bureau Director General Akitaka Saiki met with U.S. Assistant Secretary of State Christopher Hill. After the meeting, Saiki told the press in a strong tone: "Japan and the United States basically share the view on the issue." Hill then stated: "While I think there are a number of difficult problems, if the United States and Japan cooperate, difficult issues will be resolved easily."

The United States has said that delisting North Korea will be done in return for a declaration of the North's nuclear activities. Foreign Minister Masahiko Koumura, however, said: "It is also a card for Japan to achieve progress on the abduction issue." The Japanese government has closely cooperated with the U.S. government with the aim of preventing Washington from delisting Pyongyang. It is believed that the meeting of working-level officials from Japan and North Korea held on June 11-12 was made possible by the good offices of the United States, which has called for improvement in relations between Japan and North Korea as a condition for delisting

Pyongyang.

While talks between the United States and North Korea are moving forward, Tokyo and Pyongyang are at the stage of "words for words" as Chief Cabinet Secretary Nobutaka Machimura said. Tokyo and Pyongyang have yet to reach agreement on specifics as to how to carry out the reinvestigation into the abduction issue the North promised. Referring to a timetable for the next round of bilateral talks on the reinvestigation, a senior Foreign Ministry official said: "We have no idea, since the other side has its own situation." Losing the delisting card is a blow to Japan.

The Japanese government is determined, however, not to provide

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energy to North Korea before progress is made on the abduction issue. Japan may be criticized by other members of the six-party talks for being an obstacle to North Korea's denuclearization.

Therefore, some in the government believe that Japan has no choice but to accept the U.S. decision, with a senior Foreign Ministry official saying: "If we talk about only the abduction issue, other countries will think Japan does not care about the nuclear issue. Pushing ahead with things is important."

In yesterday's press conference, Machimura took a defensive line toward U.S., saying: "The question is how the United States will apply its internal law."

14) Defense Ministry reform: Experts at government-sponsored meeting agree that emphasis should be placed on analysis of causes of scandals; Compilation of report could be delayed

NIKKEI (Page 2) (Excerpts)
June 20, 2008

The government's Defense Ministry (MOD) Reform Council, chaired by Nobuya Minami, advisor to TEPCO, yesterday, June 19, entered the final stage of compiling a report before the end of the month. The panel of experts agreed that the report should focus on analyzing the causes of a number of scandals involving MOD personnel, such as bribes over the procurement of equipment, and propose measures to prevent a recurrence. Defense Minister Shigeru Ishiba is insisting that a MOD-sponsored reorganization plan featuring the integration of civilians (internal bureaus) and the uniformed officers (Self Defense Forces' members) be reflected in the panel's report. Since the panel is having difficulty reaching a consensus, the compilation of the report could be delayed until July.

The government side explained the outline of the planned report, which will include the analysis and evaluation of the scandals and measures to prevent a recurrence. The outline also includes the improvement of a system assisting the defense minister and the strengthening of the Kantei's function as the central command. Many participants called for giving priority to the starting point and ideals of the reform plan instead of going into a concrete reorganization plan.

MOD at the previous meeting held in late May proposed a plan to reorganize the present organization consisting of internal bureaus, the Joint Staff Council, the Ground Staff Office, the Maritime Staff Office and the Air Staff Office into an organization divided according to function. The plan included the abolition of Staff Offices. According to the MOD plan, the entire organization would be made the mixture of civilians and the uniformed group. However, National Defense Academy President Makoto Iokibe, a panel member and an advisor to Prime Minister Yasuo Fukuda, has presented a plan to press ahead with the integration of civilians and the uniformed group, while preserving the existing organization, indicating a gap with the MOD plan.

15) Interim report on SDF dispatch permanent law: Gap remains unfilled between LDP, New Komeito

ASAHI (Page 4) (Full)
June 20, 2008

A project team of members from the ruling Liberal Democratic Party (LDP) and its coalition partner New Komeito is looking into the enactment of a permanent law that would enable Japan to dispatch the Self-Defense Force overseas any time. The team yesterday issued its interim report. However since the gulf between the two parties remains wide yet to be bridged, most of contentious issues have been put on the backburner, although they have agreed on such issues as Diet approval. The LDP and New Komeito in the interim report agreed that the SDF would be allowed to participate in UN peacekeeping operations (PKO) and that the troops would be allowed to join international peace cooperation activities based on UN resolutions. The interim report stipulates the New Komeito's assertion that (SDF troops would be dispatched overseas) based on the conventional interpretation of the Constitution. Many contentious points on the issue of constitutional interpretation have been put on hold pending further discussion.

For example, the LDP called for allowing the SDF as one of their activities to guard troops of another country, even if they were positioned far from the Japanese troops, but the New Komeito rejected the notion. Prime Minister Yasuo Fukuda also said in a Diet reply that the law does not allow the SDF to do so. Taku Yamasaki, head of the project team, stressed: "The LDP itself proposed adding guarding to the SDF's activities." Natsuo Yamaguchi, deputy head of the project team, took a cautious stance saying: "Since differences of opinions have not been ironed out, we cannot arrive at a conclusion."

The government has decided to forgo submitting a bill to the next extraordinary Diet session. In a meeting yesterday of his faction, Yamasaki argued: "I want to make efforts to (present legislation) to the next regular session at any cost." Yamaguchi, however, sought to constrain Yamasaki: "Since a bill is not a task for the project team to which Diet session a bill will be presented."

16) Upper House to scrap 25 bills without carrying them to next session: Unusual situation caused by submission of censure motion against prime minister

NIKKEI (Page 2) (Full)
June 20, 2008

The Liberal Democratic Party (LDP) and the Democratic Party of Japan (DPJ or Minshuto) at a meeting of their Diet Affairs Committee chairmen yesterday decided to scrap all 25 bills remaining in the Upper House without carrying them over to the next Diet session. The 25 bills include 22 DPJ lawmaker-sponsored bills. This unusual situation is due to the overall suspension of Diet deliberations following the adoption of a censure motion against Prime Minister Yasuo Fukuda.

Scrapped bills need to be resubmitted to the next Diet session.

In the Lower House, 61 of 66 bills will likely be carried over to the next Diet session. Both chambers of the Diet have thus taken different approaches, reflecting the divided Diet.

SCHIEFFER